GRAND TETON VODKA, INC. MICRO-DISTILLERY & BOTTLING PLANT DRIGGS AREA OF CITY IMPACT CONDITIONAL USE PERMIT

Prepared November 19, 2013 for the Board of County Commissioners Public Hearing of December 12, 2013



APPLICANT:

Grand Teton Vodka, Inc.

LANDOWNER:

William Beckett Sr. & Linda M. Beckett

PROJECT REQUEST: Approve a Conditional Use Permit to expand the Micro-Distillery/ Bottling operation over the previously approved (Jan. 2012) 5,000 sf limitation to 7,380 sf. As well as construct three (3) additional warehouses totaling 10,760 sf for related storage in accordance with Teton County regulations for a C3-D zoning use within the Driggs Area of Impact.

The City of Driggs forwarded a recommendation to allow retail sales of liquor products onsite, tours and instructional classes, as well. This offices understanding of the request does not include those items.

APPLICABLE CODES:

Conditional Use Permit pursuant to Title 8, Chapter 6 Teton County Zoning Ordinance, (revised 5-12-2011); Title 7, Driggs Area of City Impact Ordinance (revised 3-24-2004) City of Driggs Comprehensive Plan-Driggs Resolution # 264-10 (rev. 2-10-2010) City of Driggs Zoning Ordinance, Resolution #281-07 (rev. 2-10-2010)

VICINITY MAP

LEGAL **DESCRIPTION:**

Portion of Lot 1A, Block 2, Teton Peaks View subdivision

ADDRESS:

1755 N. Main Street, Driggs

LOCATION:

Corner of Casper Drive and Highway 33

COUNTY ZONING:

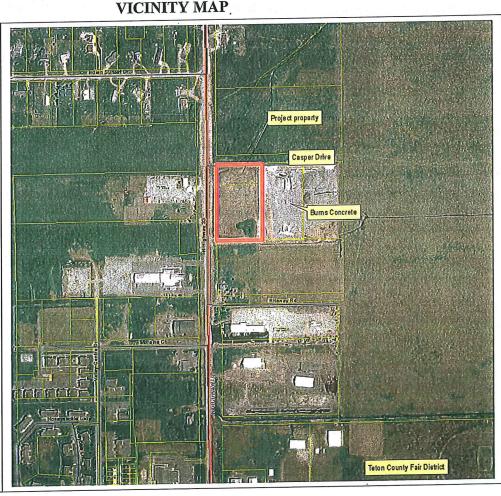
Driggs Area of City Impact; C3-D (design review overlay)

PROPERTY SIZE:

3.57 acres

PARCEL#:

RP0007400201AC



CITY OF DRIGGS PLANNING & ZONING COMMISSION RECOMMENDATIONS:

On September 11, 2013 the Driggs Planning & Zoning Commission recommended approval of the CUP for the Grand Teton Vodka micro-distillery expansion. The positive recommendation included the following finding and conditions: "Whereas Grand Teton Vodka produces a product similar in process and size to a microbrewery, the P&Z finds that this be classified as a microbrewery and recommend to the Board of County Commissioners approval with conditions 1-7:

- 1. The Conditional Use Permit is limited to the operation of a micro-distillery that includes the processing, bottling, storage and distribution, incidental tours, related instructional classes, and incidental sales of promotional items related to the micro-distillery and incidental sales of the liquor that is produced on site when permitted by the State of Idaho.
- 2. Retail sales of promotional items and liquor produced on site may not be the primary use of the micro-distillery and the number of cases sold per year on site should be limited to ten percent (10%) of the total production.
- 3. Sale of food or drink of any kind to be consumed on the premises is not permitted.
- 4. Tours and instructional classes related to the operations may be permitted only as an incidental use to the distilling processing and bottling operation.
- 5. No outdoor storage is permitted.
- 6. Sketch Plan Design Review and Final Design Review must be completed prior to any construction.
- 7. A revised site plan that merges and updates the content of the site plan and master plan should be submitted."

The P&Z Commission did not approve any changes to the Master Site Plan identified as the "Aspen Lodge Grading & Drainage Plan." The P&Z only recommended that the use of the "contractor shops" shown on the Master Site Plan be changed for the use of a micro-distillery subject to the conditions above. It is understood that all requirements of the Health and Fire District and the City Design Standards will be required prior to any issuance of a building permit. In accordance with the Area of Impact Ordinance, the Board of County Commissioners issues the final decision on the Conditional Use Permit.

PREVIOUS APPROVAL CONDITIONS (1/2012):

- 1. There shall be no sale of food or drink on the premises.
- 2. The use shall not expand beyond 5,000 sf without approval of an amendment to the CUP.
- 3. Within 90 days of commencing vodka distillation, the applicant shall submit a copy of the chemical analysis of the plant's effluent, and any other required documentation, to the regional office of the Department of Environmental Quality in Idaho Falls. The applicant shall supply the City and County with a copy of any permit, exemption, determination, or authorization that DEQ issues. The operation of the plant shall comply with any applicable DEQ regulations for storage and disposal of the liquid effluent, regardless of whether it is classified as a hazardous waste or classified and regulated as a "solid waste".
- 4. If the liquid waste products from distillation are found to be of an acceptable bio-chemical composition (according to the waste water treatment plant's standards), then the waste should be conveyed to the Driggs wastewater plant for treatment. If the effluent cannot be accepted by the Driggs facility, the applicant shall provide the City and County Planning Departments and County Engineer with an alternative plan to dispose of the distillation effluent. The alternative disposal plan should be submitted within 90 days of a determination that the effluent cannot be treated in the Driggs waste water treatment plant.
- 5. The applicant shall obtain the appropriate written approvals, permits, or agreements from all federal and state agencies for the production of alcohol and for the disposal of any solid, liquid, or gaseous byproducts. This may require the applicant to obtain authorization for waste disposal from a licensed wastewater treatment facility. If a wastewater treatment plant other than the City of Driggs is used, the applicant shall provide the City and County Planning Departments with information regarding where the waste is being transported to for treatment. A copy

- of any contract, agreement, or "will-serve" letter should be provided to the City and County Planning Departments.
- 6. Engineering standards that were not fully addressed in the County Engineer letter of December 30, 2011 shall be resolved to the satisfaction of the County Engineer prior to the issuance of a building permit.
- 7. A site plan showing details that demonstrate compliance to the requirements specified in the Teton County Fire Protection District letter of December 20, 2011 shall be submitted before, or no later than, the time of applying for a county building permit.
- The timing for the planting and inspection of all landscaping and installation of any storm water or erosion control Best Management Practices (BMP) shall be coordinated with the City of Driggs Planning Administrator. Bonding &/or surety that is required in association with these items will be administered by Teton County.
- 9. A review of the operation of the distillery and evaluation of the terms of the Conditional Use Permit shall be in accordance with the City of Driggs standards; any CUP review shall be evaluated by the City of Driggs Planning Administrator and by the County Planning Administrator.
- 10. Non-compliance of state, federal or local agency requirements will be grounds for the county to temporarily close until the violation is remedied through a cease and desist order.
- 11. If bonding is required for construction of the building by the city of Driggs per their Zoning ordinance, the county will require and administer the bonding.
- 12. Revisions made to the design plans must be reviewed by the City of Driggs PA prior to the issuance of a building
- 13. If not covered in the City of Driggs zoning ordinance, than odors must be controlled so they are not detectable beyond the property lines.

PROJECT DESCRIPTION:

The application proposes the following:

- a. The development area uses a portion of Lot 1A Block 2 of the Teton Peaks View Subdivision. The portion of the lot to be used is approximately 13,320 square feet.
- b. An addition to the existing building of approximately 2,320 square feet would be constructed for processing and bottling vodka. Three additional buildings (3,200 sf, 3,600 sf, and 4,200 sf.) would be constructed for the storage of supplies and aging whiskey.
- c. Production under the previous CUP was expected to be less than 2500 cases per year. With the expansion it is expected to be closer to 6,000 cases.
- The building design features have been not submitted to the Driggs Design Review Advisory Committee.
- e. A landscape plan proposes to plant a combination of 50 trees and shrubs around the building and parking lot. Planting will include both deciduous and evergreen trees and shrubs.
- f. The updated landscaping plan identifies 6 new parking stalls. A detailed parking and loading facility plans have not been submitted.

PROJECT BACKGROUND:

The city Planning and Zoning Commission held the first public hearing and made a determination that the proposed use is acceptable at the proposed location. This review did not require a detailed and finalized site plan to be evaluated at the time. Once the proposed land use has been deemed acceptable at the location, a more detailed site plan will be prepared and depicting the building design, any proposed landscaping, parking spaces and drive aisles, fire district access and hydrant requirements, and any storm water management or erosion control facilities.

On September 11th, 2013 the Driggs Planning & Zoning Commission held a public hearing that considered the proposed land use in accordance with the city Conditional Use Permit standards and zoning requirements in this C-3 zone. This property is in the County's and City's designated Area of City Impact. The use is therefore subject to the Driggs Comprehensive Plan and Zoning Ordinance, but must be ultimately approved by the Teton County BOCC. Since the property is located adjacent to Highway 33 and in the city's design review overlay, it is subject to the city's Design Review Advisory Committee's (DRAC) review and recommendations. This review examines the visual and aesthetic considerations that the County would typically consider when issuing a Scenic Corridor permit.

Plans have yet to be submitted to the DRAC. Once plans are submitted to DRAC for design review, the recommendations will be conveyed to the Driggs Planning and Zoning. The DRAC recommendations that are approved by the city P & Z Commission should become requirements of the County approval because the City of Driggs standards apply in the Area of City Impact. Some of these DRAC recommendations will need to be evaluated by the county once the applicant submits for a county building permit. The building permit review and ultimate issuance of a Certificate of Occupancy will therefore require further coordination with the City of Driggs, the Fire District, and possibly Driggs Public Works. Installation of a fire hydrant, storm water and erosion control facilities, and planting and irrigating of the required landscaping may require inspections before, during and after the building is constructed.

INTER-AGENCY AND DEPARTMENTAL REVIEW COMMENTS

Teton County Engineer:

As with the previous CUP approval, there is a list of items that will need to be resolved at the time of application of a building permit. These include:

Full set of construction plans: site layout (roads, curbs, parking, sidewalks, etc.), grading, drainage, erosion control, storm water management plan, and utility plans.

Idaho Division of Water Resources: The existing well has been previously permitted by IDWR, and it is expected to use less than 2500 gallons per day, and would therefore be exempted from obtaining a water right, per state regulations.

Eastern Idaho Public Health Department:

A letter from Mike Dronen dated August 29, 2013 stated that the approved septic system was permitted to handle domestic wastewater from one bathroom with a shower for 3 employees. He goes on to state that "the system is not designed to handle operational waste generated as a result of the production of vodka." Currently waste is being disposed of by picked up by local farmers and used in their operations.

<u>City of Driggs Design Review Advisory Committee:</u> The DRAC recommendations should become part of the requirements of the Conditional Use Permit if the Board approves the application. Since the Area of City Impact agreement stipulates that Driggs zoning and design standards apply, there is probably no compelling reason for the County to be more restrictive regarding issues of an aesthetic nature.

Idaho Department of Environmental Quality: The County Planning Staff contacted the Idaho Falls regional office of the DEQ, but at the time of this staff report had not heard back from them.

<u>Teton Fire Protection District</u>: Teton County Planning contacted Teton Fire protection regarding the proposed changes, but no comment had been received at the time of this report. Mr. Anderson wrote for the previous approval that:

"Roads to the building and to the hydrant will need to follow Teton County specifications. Specifically, the road to the hydrant will need to be a minimum of 26' in width, built so as to support fire apparatus. The road to the hydrant will need to be maintained during all months of the year.

Aerial Apparatus Access

Aerial fire apparatus shall have a minimum unobstructed width of 26'.

One access route shall be located within a minimum of 15' and a maximum of 30' parallel to one entire side of the building."



Close-up view of the Grand Teton Vodka property and adjacent land uses

SPECIFIC REQUIREMENTS FOR PUBLIC HEARING NOTICE:

This proposal was noticed in accordance with Idaho Code, Title 67, Section 67-6509, 67-6511, 67-6512, and Title 8, Section 8-6-1 of the Teton County Zoning Ordinance:

- 1. The required public hearing for the Board of County Commissioners was duly noticed in the Teton Valley News.
- 2. A written notification was sent via U.S. mail to surrounding property owners within 300 feet.
- 3. The property was posted in accordance with Idaho Code 67-6511 and 67-6509.

COMMENTS FROM NOTIFIED PROPERTY OWNERS & PUBLIC AT LARGE

COUNTY PLANNING DEPARTMENT RECOMMENDED ACTION

- 1. Teton County planning staff recommends:
 - (1) Approval of the additional buildings for storage and production uses, only as requested by the applicant. The conditions placed upon the previous CUP stay in place other than the size limitation. The changes made to the CUP are condition on the approval from the city's Design Review Advisory Committee's (DRAC), the county engineer and the county building official prior to the building being constructed.
 - (2) Remanding the request for retail sales, tours and instructional classes back to the City of Driggs for reconsideration.
 - a. The proposed uses of retail sales (merchandise & liquor), tours and classes are not identified as permitted or conditionally permitted uses in the C-3 zone. Idaho State Code 67-6512 requires uses to be granted through a Conditional Use Permit "if the proposed use is conditionally permitted by the terms of the ordinance..."
 - b. The C-3 zone does allow for a "Microbrewery", however it is defined as "An establishment where beer, ale, etc., are brewed and/or bottled on a scale to which the planning and zoning commission will decide is appropriate to a particular district. The establishment may, in addition to is brewing/bottling operation offer for sale, to be consumed on the premises, beer, ale, etc., and food".
 - c. Previous CUP (1/2012) was granted under the idea that the vodka production was a light industrial use, and the location fit that notion. However, by adding tours, retail sales and classes the C-3 zone in the Area of City Impact may not be as appropriate.

SECTION 8-6-1-B-7 CRITERIA FOR APPROVAL OF A CONDITIONAL USE

In accordance with the section above, the following findings of fact shall be made if the Conditional Use is to be approved.

1. Location is compatible to other uses in the general neighborhood.

The application materials and site plan, narrative and this staff report provide considerations about compatibility for making determinations about this proposal. The City Planning and Zoning Commission used the criteria of the proposed projects zoning district designation previously and found the proposed use to be acceptable and compatible so long as two there were no retail sales and size expansions were considered through the Conditional Use Permit Process. More recently the City Planning and Zoning Commission found the proposed expansion to be acceptable and compatible.

2. Use will not place undue burden on existing public services and facilities in the vicinity.

The use of this C-3 zoned lot for commercial purposes will not place undue burden on existing public facilities. At this time the facility will continue to use well water and is not connected to the city sewer system. Staff believes this criterion has been met, given the conditions associated with this permit.

- 3. Site is large enough to accommodate the proposed use and other features of this ordinance. The one acre project area on the 3.57 acre lot is large enough to accommodate the 13,320 square foot building footprints, parking, landscaping and fire district requirements.
- 4. Proposed use is in compliance with and supports the goals, policies and objectives of the Comprehensive Plan.

This City of Driggs Comprehensive plan applies in this Area of City Impact.

• <u>Objective #2:</u> Designate appropriate areas to support desired economic development, while protecting the Central Business District as the city's primary retail center, and preventing commercial sprawl along the Highway 33 scenic corridor.

BOARD OF COUNTY COMMISSION ACTIONS:

- A. Approve both the CUP, with the recommended conditions of approval listed in this staff report, having provided the reasons and justifications for the approval.
- B. Approve the CUP with modifications to the application request, or adding conditions of approval, having provided the reasons and justifications for the approval and for any modifications or conditions.
- C. Deny the application request and provide the reasons and justifications for the denial.
- D. Remand the application back to the Driggs Planning & Zoning Commission for further evaluation and recommendations and specify what additional information and considerations need to be addressed.
- E. Continue the Board's public hearing to a specified date.

County Planning Staff recommends Action (A) for the building expansion <u>AND</u> Action (D) for the retail sales portion of the CUP.

RECOMMENDED MOTION TO APPROVE:

Having found that all the <u>Section 8-6-1-B-7</u> Criteria for Approval of a Conditional Use Permit can be satisfied, and that the reasons and justifications are enumerated in the application materials, the applicant's presentation at the public hearing, the staff report, and the attached agency and public comments, I move to approve the Grand Teton Vodka Conditional Use Permit application with the conditions enumerated in the staff report....

[if modifications are made to any conditions]

with the following changes to Conditions # X, Y, Z:

[list the any modifications to conditions]

Attachments:

- Application form with narrative
- Site plans / Landscape plan and Planting list
- City of Driggs transmittal letter of September 19, 2013
- City of Driggs report to City P & Z Commission for September 11, 2013
- City P & Z public hearing minutes, September 11, 2013
- Letters of Agency review:
 - EIPHD letter August 29, 2013

End of report Written by County Planning Administrator Jason Boal



JUL 24 2013





CONDITIONAL USE PERMIT APPLICATION

Teton County, Idaho

The planning staff is available to discuss this application and answer questions. Once a complete application is received, it will be reviewed by the planning administrator or his designee and then scheduled for a public hearing with the Planning and Zoning Commission, who will make a recommendation to the Board of County Commissioners. A second public hearing will be scheduled with the Board of County Commissioners who will make the final decision. It is recommended that the applicant review Title 8 of the Teton County Code and 67-6512 of the Idaho Code. Application materials may be viewed on the Teton County Idaho website at www.tetoncountyidaho.gov.

To expedite the review of your application, please be sure to address each of the following items.

SECTION I: PERSONAL AND PROPERTY RELATED DATA

OWNER: WILLIAM W. & LINDA M. BECKETT
Applicant: GRAND TETON VODKA E-mail: wbecketter @gmzil.com
Phone: (208) 354-7263 Mailing Address: 457 CASPER DR,
City: DRIGGS State: ID Zip Code: 83422
Engineering Firm:Contact Person:Phone: ()
Address:E-mail:
Location and Zoning District:
Address: 457 CASPER DRIVE DRIGGS Parcel Number:
Section:Township:Range:Total Acreage:3.3
DRIGGS Zoning District: C3-D Requested Land Use: MICRO DISTILLERY EXPANSION
I, the undersigned, have reviewed the attached information and found it to be correct. I also understand that the items listed below are required for my application to be considered complete and for it to be scheduled on the agenda for the Board of County Commissioners public hearing. • Applicant Signature: Date: Date:

CITY OF DRIGGS

AUG 0 2 2013

RECEIVE D

TETON COUNTY PLANNING & ZONING JUL 24 2013



RECEIVED

CONDITIONAL USE PERMIT APPLICATION

Teton County, Idaho

The planning staff is available to discuss this application and answer questions. Once a complete application is received, it will be reviewed by the planning administrator or his designee and then scheduled for a public hearing with the Planning and Zoning Commission, who will make a recommendation to the Board of County Commissioners. A second public hearing will be scheduled with the Board of County Commissioners who will make the final decision. It is recommended that the applicant review Title 8 of the Teton County Code and 67-6512 of the Idaho Code. Application materials may be viewed on the Teton County Idaho website at www.tetoncountyidaho.gov.

To expedite the review of your application, please be sure to address each of the following items.

Applicant: GRAND TETON VODKA E-mail: wbeckettsr@gmail.com

City: DRIGES State: ID Zip Code: 83422

Engineering Firm: ______Contact Person: _____Phone: ()_____

Address: E-mail:

SECTION I: PERSONAL AND PROPERTY RELATED DATA

OWNER: WILLIAM W. & LINDA M. BECKETT

Phone: (208) 354-7263 Mailing Address: 457 CASPER DR.

	Location and Zoning District:	
	Address: 457 CASPER DRIVE DRIGGS Parcel Number:	
	Section:Township:Range:Total Acreage:3.3	
	DRIGGS C3-D Requested Land Use: MICRO: DISTILLERY EXPANSION	
'	I, the undersigned, have reviewed the attached information and found it to be correct. I also understand that the iter listed below are required for my application to be correct.	ms
	GRAND TETON VODKA INC	1335
	P O BOX 148 1755 HWY 33 DRIGGS, ID 83422 (208) 354-4569 DATE DATE	92-379/1241 7691 3828488530 3
PAY	Teton County (D) \$/00	50 XX
PAY TO THE ORDER OF -	re Thousand & Nof 19091 DOLLARS	Security Features Details on Back.
W 10	Wells Fargo Bank, N.A. Idaho wellsfargo.com	>

I, the undersigned, am the owner of the referenced property and do hereby give my permission to to be my agent and represent me in the matters of this application. I have read the attached information regarding the application are property and find it to be correct. Owner Signature: SECTION I REQUIRED ITEMS Latest Recorded Deed to the Property 2. Affidavit of Legal Interest 3.) Application fee paid in full in accordance with current fee schedule 4. Twelve (12) copies of information and data (pictures, diagrams, etc.) necessary to assure the fullest presentation of the facts for evaluation of the request. ★ 5. Twelve (12) copies of a site plan drawn to scale. 6. Narrative explaining the following: Location is compatible to other uses in the general neighborhood. Use will not place undue burden on existing public services and facilities in the vicinity. Site is large enough to accommodate that proposed use and other features of this ordinance. Proposed use is in compliance with and supports the goals, policies, and objectives of the

SECTION III: CRITERIA FOR RECOMMENDATIONS AND DECISIONS

- 1. Upon the granting of a conditional use permit, conditions may be attached to a conditional use permit including, but not limited to, those:
 - Minimizing adverse impact on other development;
 - Controlling the sequence and timing of development;
 - Controlling the duration of development;

Comprehensive Plan

- Assuring that development is maintained properly;
- Designating the exact location and nature of development;
- Requiring the provision for on-site or off-site public facilities or services;
- Requiring more restrictive standards than those generally required in this Title;
- Designating the number of non-family employees in the home occupation and home business based on the type of business and the location;
- Requiring mitigation of effects of the proposed development upon service delivery by any political subdivision, including school districts, providing services within the planning jurisdiction.
- 2. Prior to granting a conditional use permit, studies may be required of the social, economic, fiscal, and environmental effects of the proposed conditional use. A conditional use permit shall not be considered as establishing a binding precedent to grant other conditional use permits. A conditional use permit is not transferable from one (1) parcel of land to another.
- 3. Commercial Development Agreement for all land uses in the C-1, C-2, C-3, and M zoning designations are required to include the following, as applicable:
 - A site plan and/or survey prepared by a professional surveyor to include current and proposed plan;
 - A professionally prepared landscaping plan;
 - Financial guarantee for public improvements which may include but not be limited to: roads, phone, electric, water, sewer, fire protection, and lighting;
 - Professionally prepared final construction drawings.

SECTION IV: SPECIFIC REQUIREMENTS FOR PUBLIC HEARING AND NOTICE

Notification is required for both hearings in accordance with Title 67, Chapter 65; Section 6509 of the Idaho Code. Notice shall be provided by mail to property owners within the land being considered, and within three hundred (300) feet of the external boundaries of the land being considered, and any additional area that may be impacted by the proposed change. Notice shall also be posted on the premises not less than one (1) week prior to the hearing. At least fifteen (15) days prior to the hearing, notice of the time, date and place and a summary of the plan to be discussed shall be published in the newspaper of general circulation within the jurisdiction. This procedure will be completed by the planning staff.

SECTION V: STAFF SUMMARY ANALYSIS, REASONING AND FACT FINDING

SECTION VI: PLANNING AND ZONING COMMISSION ACTION

SECTION VII: BOARD OF COUNTY COMMISSIONERS ACTION

Grand Teton Vodka Conditional Use Permit Amendment Proposal

This narrative is to present the conceptual plan for further development of the site at 457 Casper Drive, Driggs, Idaho. The business desires to expand beyond the 5,000 square foot limitation that was placed upon the Conditional Use Permit that was granted in January 2012 by Teton County. We anticipate that amending the CUP to continue to expand the business at this site should not prove too difficult as the existing operation has proceeded favorably and has not produced any of the negative impacts that had been feared when the project was first presented. There is virtually no noise, fumes, or other adverse impacts produced by our business.

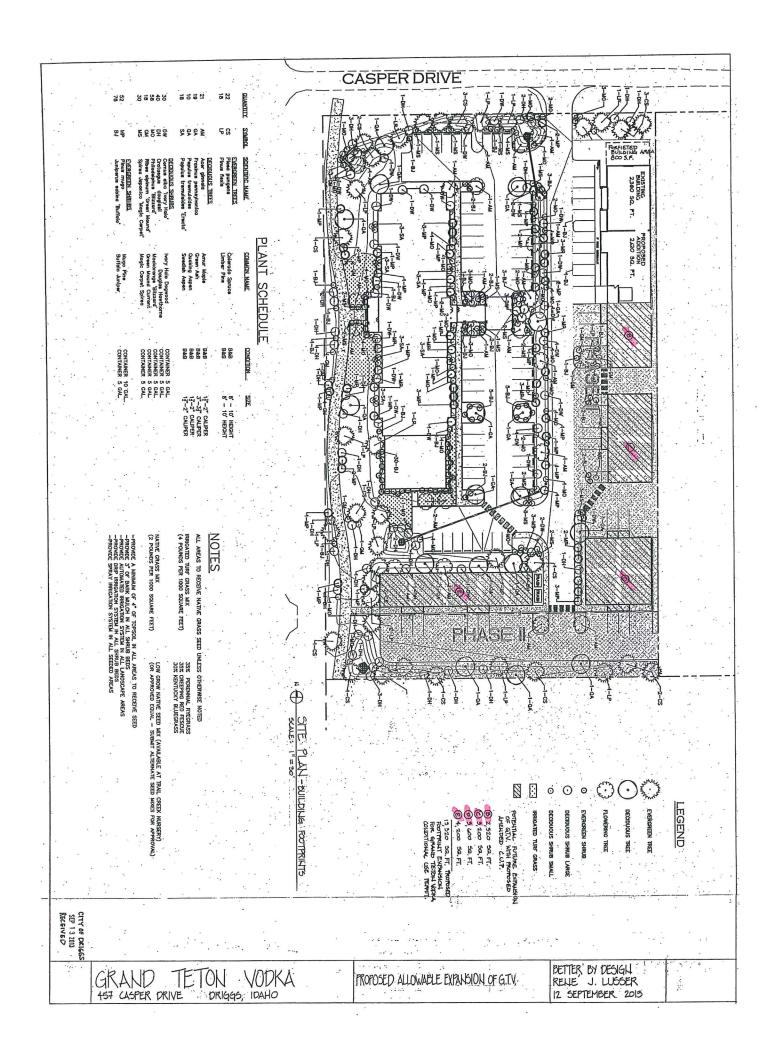
In 2008, the 3.3 acre property went through both City of Driggs and Teton County Planning and Zoning and Board of Commissioners processes for the entire site and landscape plans and attained approval. Our present request is to enlarge the portion of the property that may be utilized to grow our business of micro-distillery, bottling, warehousing, and distribution. The original master plan contemplated contractor warehouse / offices surrounding the hotel site. For the time being, the hotel site will remain preserved for potential future development. The four remaining building pads, constituting up to 16,800 square feet, could potentially all become part of Grand Teton Vodka if the business continues on its current growth pattern. The next most critical need in our growth is a building primarily as warehouse space allowing the business to acquire and store on site more supplies such as our ingredients and bottles in bulk, and to house numerous barrels of whiskey for aging of our next trademarked product, yet to be released, Teton Moonshine.

The 3.3 acre site is zoned C-3 in the City of Driggs Area of Impact. The uses we are proposing are conditionally allowed in this zone. Burns Concrete (M-1) is on the east boundary; vacant R-3 is on the North side of Casper Drive; a five acre parcel to the South zoned C-3 has a house on it, and trailer sales is the business to the west of this property. The presence of Grand Teton Vodka has not created any adverse impact on these neighboring properties, and our continued growth should only enhance the neighborhood.

City water comes to the south end of the site and serves a connection to a fire hydrant on our property. A private well however, serves our culinary needs. There is no City sewer service to the site, but the nature of the business allows us to take care of our present needs with septic on site. There are existing turn lanes north and south from Highway 33 onto Casper Drive. Therefore there will be no need for additional public facilities or services as part of this proposal.

As the facility expands, new job opportunities will arise. Within one year of being in business, we are already ranked the 4th best vodka in the world. As we continue to build notoriety, Driggs and the whole community will benefit economically.

For the reasons stated above and as evident from the permitted and conditional uses in the C-3 zone, the proposed use is in compliance and supports the goals, policies, and objectives of the Comprehensive Plan and should therefore be allowed.





Inc. 1910

Planning & Zoning

Inc. 1910

60 S Main St | PO Box 48 - Driggs, ID 83422 | Ph: 208-354-2362 | Fax: 208-354-8522 | www.driggs.govoffice.com

September 19, 2013

Teton County Planning & Zoning Department c/o Wendy Danielson, Land Use Services Assistant 150 Courthouse Dr Driggs, ID 83422



RE: File Transfer of Driggs Area of Impact Application: Conditional Use Permit – Grand Teton Vodka **Micro-Distillery Expansion**

Dear Wendy,

This letter is accompanying the application file (CUP13-3) for the Conditional Use Permit submitted by Grand Teton Vodka, in order to expand buildings and operations of their Micro-distillery located at 457 Casper Dr.

Attached are the following items:

- **Application**
- **P&Z Commission Recommendation**
- Staff Report to P&Z Commission (9/11/13)
- Driggs P&Z Commission Minutes-DRAFT (9/11/13)
- 24x36 Site Plan (includes P&Z's request to merge both versions of a site plan)

If you have any questions, please contact me at City Hall.

Sincerely,

Ashley Koehler

Planning & Zoning Administrator

cc: CUP13-3 file



Inc. 1910 Planning & Zoning

60 S Main St | PO Box 48 - Driggs, ID 83422 | Ph: 208-354-2362 | Fax: 208-354-8522 | www.driggs.govoffice.com

September 19, 2013

Teton County c/o Wendy Danielson, Land Use Services Assistant

RE: P&Z Commission Recommendation of the CUP for Grand Teton Vodka Micro-Distillery Expansion

Wendy,

On September 11, 2013 the Driggs Planning & Zoning Commission recommended approval of the CUP for the Grand Teton Vodka micro-distillery expansion. The positive recommendation included the following finding and conditions: "Whereas Grand Teton Vodka produces a product similar in process and size to a microbrewery, the P&Z finds that this be classified as a microbrewery and recommend to the Board of County Commissioners approval with conditions 1-7:

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- 3. Sale of food or drink of any kind to be consumed on the premises is not permitted.
- 4. Tours and instructional classes related to the operations may be permitted only as an incidental use to the distilling processing and bottling operation.
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Sincerely

Ashley Koehler

Planning & Zoning Administrator

Attachments: Revised Site Plan 9/13/13

cc: CUP13-3 file Rene Lusser

William & Linda Beckett, Grand Teton Vodka, Inc.

STAFF REPORT

To:

Planning and Zoning Commission (P&Z)

From:

Ashley Koehler, Planning & Zoning Administrator

Report Date:

September 6, 2013

Meeting Date:

September 11, 2013

Project Name:

CUP13-3 Grand Teton Vodka Micro-Distillery Expansion

RE:

Public Hearing/Possible Recommendation

Future Routing:

Board of County Commissioners

SUMMARY: A Conditional Use Permit is being requested by Grand Teton Vodka to expand the scale of the current micro-distillery. The request is to increase the current building to 7,380sqft and construct three (3) separate warehouses for related storage and to house barrels of whiskey for aging for a total of 10.760saft. Incidental retail sales of liquor produced on site, tours, and instructional classes are also requested as part of this application.

APPLICANT:

Grand Teton Vodka, Inc.

OWNER:

William & Linda Beckett

LOCATION:

457 Casper Dr

ZONING:

Area of Impact- Service & Highway Commercial (C-3) and Design Review Overlay MATERIALS RECEIVED: Application Form, Narrative, Site Plan, Master Site plan "Aspen Lodge Grading &

Drainage Plan"

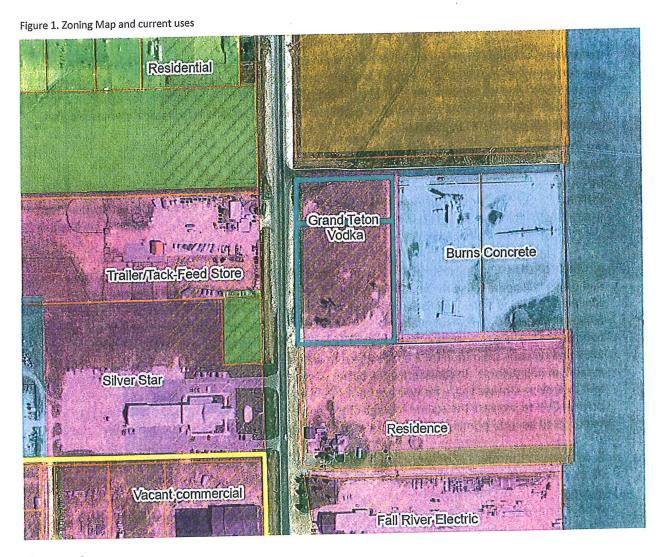
- A. BACKGROUND: A Conditional Use Permit for the micro-distillery was recommended by Driggs P&Z and ultimately approved with conditions by the Teton County Board of County Commissioners in January 2012. One of the conditions of approval limits the micro-distillery from expanding beyond 5,000sqft without approval of an amendment to the CUP in order to ensure compatibility and adequate conditions for a larger operation (Exhibit A). The owners constructed the current 2,380sqft facility in 2012 and recently submitted for a building permit and design review to add on a 2,620sqft addition for a maximum of 5,000sqft. In considering the business' need to increase processing and bottling operations and to provide storage space for whiskey barrels, the applicant is now requesting a modification to the original CUP to increase the square footage of the present building and construct three (3) additional buildings to be used primarily for related storage of supplies and space for aging barrels of whiskey.
- B. ZONING ORDINANCE CONFORMANCE: Title 9, Chapter 2B of the Zoning Ordinance outlines the P&Z's duty over Conditional Use Permits: "The P&Z may... permit conditional uses where the uses are not in conflict with the comprehensive plan or [the Zoning Ordinance]. If the proposed conditional use cannot adequately meet the conditions necessary to assure protection and compatibility with the surrounding properties, uses and neighborhood, the P&Z will not approve the proposed use."

Surrounding area compatibility is demonstrated by the map below (Figure 1) and the Comprehensive Plan's Future Land Use Map, which identifies this area as "commercial", and described as:

C_a - commercial - The Commercial land use areas are envisioned to contain uses that would not be appropriate in the Central Business District or Mixed-Use areas because of the larger amount of land required, the auto-intensive nature of the business, or the generation of noise or other impacts that should be more removed from residential areas. General Retail commercial uses appropriate for these areas would be large item retail, such as hardware, lumber yards, auto dealership, trailer sales, etc. These

areas should be developed in a unified manner, with street-like shared access from the highway for each area, in accordance with the Transportation Access Plan Agreement between the city and the Idaho Transportation Department.

C_a: This recommended commercial area includes undeveloped lots along the north side of Valley Centre Drive, the new Silver Star Communications facility and Longhorn Trailer Sales on the west side of SH 33, and Fall River Electric and two transitioning single family residences on the east side of SH 33. A significant buffer should be provided along this area, where it borders Estate Residential. Appropriate uses would include contractor shops and large item retail.



Legend



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CONFORMANCE / COMMENTS	Definition of a Microbrewery is: An establishment where beer, ale, etc., are brewed and/or bottled on a scale to which the planning and zoning commission will decide is appropriate to a particular district. The establishment may, in addition to its brewing/bottling operation, offer for sale, to be consumed on the premises, beer, ale, etc., and food.	No definition exists for "Bottling and Distribution plant" or "Trade or Industrial School".	Staff has found that none of the use categories or definitions fully list the requested uses therefore they are either prohibited or P&Z can determine which, if any, are "similar in nature" to the uses listed in the C-3 zone. Section 9-3-1 that states that "uses not specified within the zoning districts are prohibited unless determined by the P&Z Commission or its authorized representatives to be similar in nature to those specified."	Staff is currently working on amendments to the zoning ordinance to update land use categories and their definitions. Discussions have been held with the P&Z regarding industrial and boutique Food and Beverage Processing operations and distinguishing them from light industrial and manufacturing uses. However, these amendments have not been adopted and are still in draft form.	Commission will need to establish whether the proposed uses are similar to and can be treated as a Microbrewery. It is suggested that the Commission still prohibit food and drink from being consumed on site and limit the amount of retail sales of on-site produced liquor.	Economic development findings support the need for economic diversification, job creation, and building up the tourism industry all of which Grand Teton Vodka provides for the community.
	Definition of a Nare brewed and, commission will establishment male, to be consu	No definition exist Industrial School".	Staff has found trequested uses twhich, if any, are Section 9-3-1 the are prohibited urepresentatives	Staff is currently update land use held with the P8 Processing opermanufacturing uadopted and are	Commission will to and can be tr Commission still limit the amoun	Economic develoriversification, j
PROPOSED	Micro-distillery (10,760 ft²) to include the processing, bottling, storage and distribution of vodka and whiskey, tours, instructional classes, and incidental sales of the liquor produced on site.					
ALLOWED / REQUIKED	"Microbrewery", "Bottling and Distribution Plant", and "Trade or Industrial School" are all Conditional Uses in the C3 zone.					Conflict with Comprehensive Plan
STANDARD	Chapter 7, Section 9.7D.3 Conditional Uses Permitted					9-2-8-2

			Further in the goals and objectives for Land Use it states that in commercial areas outside of downtown core retail uses should be limited to large items (lumber, hardware, automobiles) or be neighborhood focused (corner grocery, deli, etc.). Considering this, the use of the microdistillery for retail sales of liquor should be limited to only that which is produced on site and be limited in volume to avoid the concern of retail leakage from downtown and the micro-distillery becoming a retail liquor store.
STANDARD	ALLOWED / REQUIRED	PROPOSED	CONFORMANCE/COMMENTS
Chapter 2, Article B, Conditional Use Procedures	The Commission may permit conditional uses where the uses are not in conflict with	<u>Use:</u> See attached narrative and site plans.	There is a concrete batch plant to East, residence to South, Trailer sales and Silverstar to the West across highway, and vacant land to North across Casper Dr.
	the comprehensive plan or the Zoning Title. If the proposed	elated	The use appears to be compatible with the concrete batch plant and M1 zoning to the East, and the residence on the C3 zoned property to the
	conditional use cannot adequately meet the	sing, bottling, & office: g A: 7,380sqft at build-out	South sent a letter of support for the project.
	conditions necessary to assure protection and compatibility with the surrounding properties, uses and	Storage: Building B: 3,200sqft Building C: 3,600sqft Building D: 3,960sqft	
	neighborhood, the planning and zoning commission will not approve the proposed use.	Noise/Odors: The applicant reports that noise, fumes, or adverse impacts would be negligible.	Staff is unaware of any complaints from the current operations.
		Access/Deliveries: There is an existing private drive off of Casper Dr that will be	Due to the length of the drive the Fire District has made preliminary comments that include requiring an increased hammerhead turn-around
		paved for approximately 170' and then is graveled for the remaining 306' until it	area to meet the International Fire Code specifications. Information on the proposed building height is also requested in order to determine
		dead ends with a hammerhead. Paved parking is located in front of building A	adequate fire access.
		and a garage bay for deliveries on the	The Master Site Plan was reviewed by DRAC and P&Z in 2007, however based on the expected changes to the parking and access configuration
		for this building the garage bay would be	the site plan should be updated. A revised site plan should be submitted
		face west towards Hwy 33.	that is an accurate combination of the applicable areas of the Master Site Plan and the new request. Staff recommends that the Commission
		Additional parking and access for the	determine if these changes should also be reviewed by DRAC in addition
		other 3 buildings are shown on the Master Site Plan.	to the building elevations.

	CONFORMANCE / COMMENTS	Access off of Hwy 33 conforms. Further review by the Fire District is needed to determine adequate access.	-		are needed for Buildings B, C, & D; the Master Site Plan ("Aspen Lodge	grading and drainage plan") shows approximately 11 spaces. Because the	parking and garage access points will most likely be different than what is	shown on the Master Site Plan, so Staff requests that an updated site plan be submitted that reflects this CUP.	Does not comply. No application has been received. CUP conditions should include the successful completion of the design	review process. Staff recommends that a sketch plan be reviewed by	DRAC showing the concept for the building elevations before final	approval is determined by the Board of County Commissioners to ensure	compatibility and fulfill the requirement of the zoning ordinance. Full	design review may take place after a CUP is obtained in an effort to save	the applicant and review boards' time and expense.	If there are any design issues that need to be addressed in a stricter	fashion than the design standards require, then those stricter standards	should be part of the CUP conditions as well. In the previous design	review of the current building and it's expansion, the following	Ä	 Not requiring any architectural façade shifts on the east building 		5. Allowing the use of mort-pinnary bunding materials A Deferring the inetallation of a nathway	the 30% coverage of windows.	
Employees: Expect 2-4 new jobs	PROPOSED	The location is accessed off of Casper Drive, which is paved and has left and	right lane turnouts on Hwy 33.	Building 1: (current with all expansions	requested) 7,380ft²	Building 2: 3,200 ft² Building 3: 3,600 ft²	Building 4: 3,960 ft²		Application has not been submitted.																
	ALLOWED / REQUIRED			Off-street parking	requirements for	manufacturing/warehouse	1,000sqft NFA		All commercial or mixed use projects within the design	review overlay shall submit an	application for design review.														
	STANDARD	9-3-2 – Public Access	Requirements	Section 9-4-2-1 —	Parking Spaces	Required			9-98-2 – Design Review Overlav	Standards and	Applicability														

C. Public Comment

As of the date of this report, one comment from the property owners to the south has been received in favor of the proposal (Exhibit E).

D. Service Provider Comments

Based on the information submitted, the Health District issued the attached letter (Exhibit F) indicating that the current septic permit is valid unless additional sewage disposal is needed. It is unknown by Staff at this time if the additional buildings or expansion will include any water/wastewater services. The applicants have indicated in their narrative that they are able to re-use byproduct from the distilling process. The Fire District provided verbal comments including the need for two additional hydrants, a larger hammerhead for the driveway, and the need for the height of the buildings to determine the applicable fire code regulations.

E. Analysis

The P&Z should limit the operation of the micro-distillery from creating nuisance conditions beyond the boundaries of the site shown on the application's site plan. Nuisance conditions can result from any of the following:

- a) Continuous, frequent, or repetitive noises or vibrations;
- b) Noxious or toxic fumes, odors, or emissions;
- c) Electrical distrubances; or
- d) Night illumination into residential areas.

Additionally, upon the granting or denying a conditional use permit, conditions may be attached including, but not limited to those:

- A. Minimizing adverse impact on other development;
- B. Controlling the sequence and timing of development;
- C. Controlling the duration of development;
- D. Assuring the development is maintained properly;
- E. Designating the exact location and nature of development;
- F. Requiring the provision for on-site facilities or services; and
- G. Requiring more restrictive standards than those generally required in this ordinance (including Design Standards in Appendix A).

F. Recommendation

If P&Z finds that the micro-distillery with incidental tours and retail sale of product is similar to a "microbrewery" and the instructional classes are a "trade/industrial school", then Staff recommends that the P&Z Commission forward a positive recommendation to the Board of County Commissioners with the following conditions:

- 1. The Conditional Use Permit is limited to the operation of a micro-distillery that includes the processing, bottling, storage and distribution, incidental tours, related instructional classes, and incidental sales of the liquor that is produced on site when permitted by the State of Idaho.
- 2. Retail sales of liquor produced on site may not be the primary use of the micro-distillery and the number of cases sold per year should be limited to a percentage of the total production.
- 3. Sale of food or drink of any kind to be consumed on the premises is not permitted.
- 4. Tours and instructional classes related to the operations may be permitted only as an incidental use to the distilling processing and bottling operation.
- 5. No outdoor storage is permitted.
- 6. Sketch Plan Design Review should be complete prior to final review and decision by the Board of County Commissioners and Final Design Review must be completed prior to any construction.
- 7. Additional landscaping beyond the base requirements should be required to account for the parking and access drive being located in front of the buildings.
- 8. A revised site plan that merges and updates the content of the site plan and master plan should be submitted, including the location of parking, hydrants, and landscaping.

Attachments:

Exhibit A: Driggs P&Z Meeting minutes 10/12/2011

Exhibit B: Site Plan

Exhibit C: Master Site Plan "Aspen Lodge Grading & Drainage Plan"

Exhibit D: Narrative

Exhibit E: Public comment
Exhibit F: Health District letter

City of Driggs PLANNING AND ZONING COMMISSION MEETING MINUTES

MEETING HELD AT CITY HALL
October 12, 2011
6:30pm

MEMBERS PRESENT: Rick Baldwin (Conducting), Delwyn Jensen, and Ralph Mossman.

OTHERS PRESENT: Planning and Zoning Administrator Doug Self and Deputy Planning and Zoning Administrator Kreslyn Schuehler and other community members.

1) Approval of Minutes

The Commission reviewed the minutes from September 28, 2011. Commissioner Mossman made a correction.

Commissioner Delwyn Jensen made a motion to approve the minutes from September 28, 2011. Commissioner Ralph Mossman seconded the motion. The motion passed with all in favor.

2) Discussion of Land Use Table Amendments

The Commission briefly began a discussion regarding the land use table amendments. It was determined that a small vet in the C1 zone should be required to have a conditional use permit.

3) Public Hearing for a Conditional Use Permit for a Microbrewery/Bottling Plant at 1755 N Highway 33 as submitted by William Beckett

William Beckett spoke to the Commission regarding his application. He stated in the past, there was a proposal to put a motel on the property but due to the economy and financing availability, that project had been put on hold. The approved site plan for the property included 5 lots for commercial use adjacent to the east property line.

Mr. Beckett's hope was to have a vodka distillery, using potatoes grown in the Valley. He stated there were strict regulations for transporting seed potatoes and he researched how that would impact his business. He explained that potatoes must be unloaded in an enclosed area and must be covered during transport. The potatoes would be transported in boxes which would in turn be covered.

Mr. Beckett explained the process of distilling vodka and stated that nothing would be wasted and no fumes would escape. The remainder of the potatoes could be made into feed for livestock and had already been spoken for by a community member in the valley who would transport the feed himself. The structure of the building would enable the vapors to be very pure.

Mr. Beckett described the label on the vodka bottle, stating it would have the Grand Teton Mountains on it, hoping to attract people to the area. By law, the distillery could have tastings and Mr. Beckett hoped to attract bus tours and others as well, with this activity.

In conclusion, Mr. Beckett stated there were no fumes, no nuisances, and all external lighting would be down lighting. However, not much lighting would be needed as he had no plans at this time to be open through the night.

Doug Self presented his staff report to the Commission. He stated the exact definition of a microdistillery was not in the zoning ordinance, but felt it was similar to a microbrewery. He stated the Commission should determine if this use could be considered a microbrewery or if a new use should be established. If it was classified as a microbrewery, the Commission should discuss if food and beverages should be allowed.

Mr. Self read from the Comprehensive Plan stating, "These areas should be developed in a unified manner, with street-like shared access from the highway for each area." Mr. Self also felt this use was appropriate in this zone, stating, "the uses that would not be appropriate in the Central Business District or Mixed-Use areas because of the larger amount of land required, the auto-intensive nature of the business, or the generation of noise or other impacts that should be more removed from residential areas, General Retail commercial uses appropriate for these areas would be large item retail, such as hardware, lumber yards, auto dealership, trailer sales, etc." He concluded by stating the Comprehensive Plan supported the application and could be found in conformance.

Mr. Self read the public comments from Paul Raube, who was in support of the application providing the design followed the standards. Mr. Self stated the property fell into the design review overlay and before a building permit would be approved, the applicant would have to go through the design review process.

Public access was good because of the improvements made by Burns Concrete. The parking space requirement was met. However, if tour buses were abundant, it may have to be readdressed. Mr. Beckett stated there was plenty of room on the property to increase parking if needed in the future.

Mr. Self told the Commission that stricter standards for the design could be added as this was an application for a conditional use permit, but he did not see a need for that. The proposed height of the building was 32 feet which was less than what was allowed in that zone. A microbrewery should be in the downtown area because it was more of a pedestrian friendly use. However, a microdistillery was more industrial and may not be appropriate downtown.

Commissioner Rick Bladwin opened the Public Hearing at 7:07pm. Anna Trentadue, Valley Advocates for Responsibility, spoke in favor of the application. She stated she was excited for the business to come to the valley, but was concerned about the definition of a microbrewery. She did not feel the location was appropriate for a large business with a restaurant and would like to see it closer to town. She cautioned the Commission on putting this use under the definition of microbrewery for that very reason.

Mr. Beckett responded to the comments. He stated he did not own land closer to town and wanted to be as productive as possible with the resources he had. He felt that a distillery was similar to a microbrewery in the sense that both produced a beverage with a difference in the

products used. He stated potatoes would be brought to the building by the ton and he did not feel there was a location closer to town that would not be impacted by the amount of truck traffic needed to bring in the potatoes.

Commissioner Jensen questioned if the applicant had any intention of having a restaurant or retail business included in the distillery. Mr. Beckett stated that there would not be a restaurant and that he was not able to sell liquor according to state law.

Commissioner Mossman questioned who the product would be sold to. Mr. Beckett stated it would have to be sold to the State dispensaries in Idaho, Wyoming and Utah. The dispensaries would then sell it to liquor stores.

Commissioner Jensen asked that the Commission determine if this use be classified as a microbrewery or microdistillery. Commissioner Mossman stated he was agreeable to leaving it as a bottling and distribution use.

Commissioner Baldwin inquired about the number of employees. Mr. Beckett stated they would start out small with 2 or 3 part-time employees, and hoped to grow in the future. He felt if the business grew beyond Idaho, the business could provide significant impacts for employment in Driggs as well as recognition for the Valley.

Commissioner Baldwin questioned what the output was and if a small amount of employees was appropriate. Mr. Beckett explained the process and stated one batch took approximately 4 hours. He felt they could produce 120 bottles or 10 cases a day and would need to purchase more equipment to do much more than that.

Commissioner Jensen felt the use was appropriate where it was as he did not want to see the truck traffic downtown. Mr. Beckett felt the subject location would provide good transportation to move in and out of the area.

Commissioner Mossman was concerned about future growth but felt the use as it stood now was appropriate. Mr. Self suggested having the applicant come back to the Commission if they wanted to expand beyond 5,000 square feet. Commissioner Mossman also wanted to restrict the sale of the product or the sale of food or drink, other than the tastings allowed by law.

Mr. Self stated the applicant could amend the site plan to combine lots or show larger buildings. Commissioner Jensen felt that when the business could no longer be called a microdistillery and became a distillery, the applicant should come back to amend the conditional use permit.

Commissioner Baldwin stated he would be comfortable in doubling the size of the building, but maintaining the design review overlay. Commissioner Mossman agreed.

Commissioner Ralph Mossman made a motion to recommend to the Board of County Commissioners to issue a conditional use permit with the conditions that the location could not sell food or drink and limitations on bottling and distribution operations to 5,000

square feet on the subject property. Commissioner Delwyn Jensen seconded the motion. The motion passed with all in favor.

Mr. Beckett stated he had been approached by the owner of the Beverage Shoppe to relocate her business to his property. He stated he wanted to find a way to make this work as she could sell products but could not distill them and he could distill products but could not sell them. Mr. Self responded stating that retail was not allowed in the C3 zone and therefore, it could not be allowed.

Mr. Beckett discussed with the Commission his reasoning behind allowing this type of retail store in the C3 zone. He felt it could be classified as a government agency. Mr. Self stated he disagreed and read the definition of retail uses in the Zoning Ordinance. He continued to state that retail had never been desired in the C3 zone and was in opposition of the city's wishes.

Commissioner Jensen agreed stating that he was in favor of retail remaining in the downtown core. Hyrum Johnson, the Chairman for the Driggs Urban Renewal Agency, stated he would love to have the business in town and would help to relocate the business to a property within the downtown area.

The Commission concluded the discussion by stating that if the owner of the Beverage Shoppe wanted to pursue the relocation, an application should be submitted. However, the Commissioners and Mr. Self felt it was an "up-hill battle."

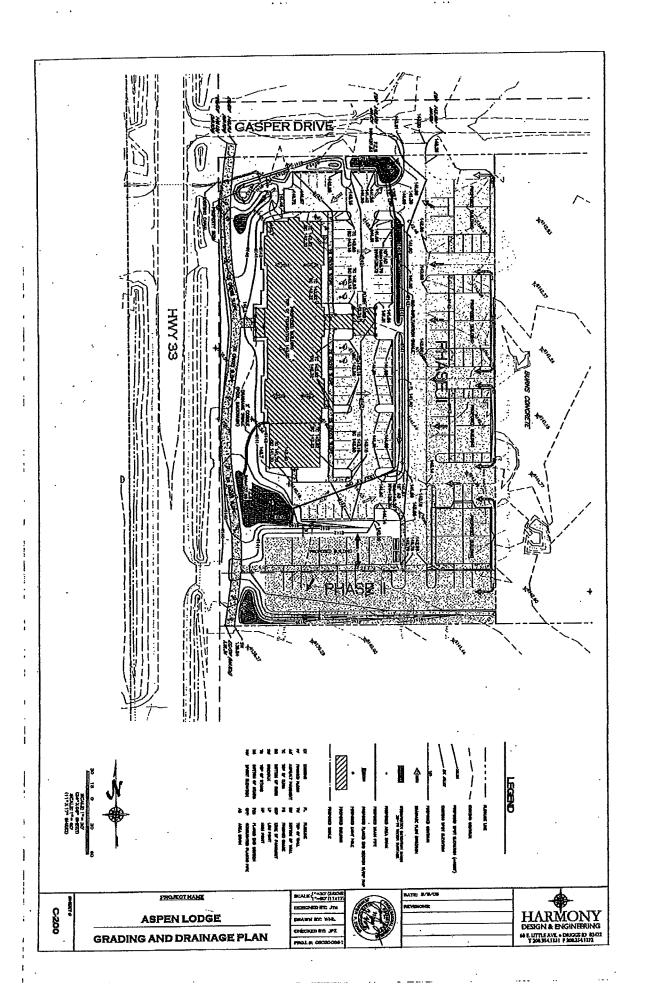
4) Discussion of the Land Use Table Amendments

The Commission continued the discussion of the land use table. Discussions included industrial uses, agricultural uses, extractive uses, wireless uses and the remainder of the sales and services. Mr. Self would finish the table and the Commission will continue the discussion at the next meeting.

Commissioner Ralph Mossman made a motion to adjourn. Commissioner Delwyn Jensen seconded the motion. The motion passed with all in favor and the meeting was adjourned at 8:40pm.

BURNS CONCRETE

O SCALE: I" = 60'



Grand Teton Vodka Conditional Use Permit Amendment Proposal

This narrative is to present the conceptual plan for further development of the site at 457 Casper Drive, Driggs, Idaho. The business desires to expand beyond the 5,000 square foot limitation that was placed upon the Conditional Use Permit that was granted in January 2012 by Teton County. We anticipate that amending the CUP to continue to expand the business at this site should not prove too difficult as the existing operation has proceeded favorably and has not produced any of the negative impacts that had been feared when the project was first presented. There is virtually no noise, fumes, or other adverse impacts produced by our business.

In 2008, the 3.3 acre property went through both City of Driggs and Teton County Planning and Zoning and Board of Commissioners processes for the entire site and landscape plans and attained approval. Our present request is to enlarge the portion of the property that may be utilized to grow our business of micro-distillery, bottling, warehousing, and distribution. The original master plan contemplated contractor warehouse / offices surrounding the hotel site. For the time being, the hotel site will remain preserved for potential future development. The four remaining building pads, constituting up to 16,800 square feet, could potentially all become part of Grand Teton Vodka if the business continues on its current growth pattern. The next most critical need in our growth is a building primarily as warehouse space allowing the business to acquire and store on site more supplies such as our ingredients and bottles in bulk, and to house numerous barrels of whiskey for aging of our next trademarked product, yet to be released, Teton Moonshine.

The 3.3 acre site is zoned C-3 in the City of Driggs Area of Impact. The uses we are proposing are conditionally allowed in this zone. Burns Concrete (M-1) is on the east boundary; vacant R-3 is on the North side of Casper Drive; a five acre parcel to the South zoned C-3 has a house on it, and trailer sales is the business to the west of this property. The presence of Grand Teton Vodka has not created any adverse impact on these neighboring properties, and our continued growth should only enhance the neighborhood.

City water comes to the south end of the site and serves a connection to a fire hydrant on our property. A private well however, serves our culinary needs. There is no City sewer service to the site, but the nature of the business allows us to take care of our present needs with septic on site. There are existing turn lanes north and south from Highway 33 onto Casper Drive. Therefore there will be no need for additional public facilities or services as part of this proposal.

As the facility expands, new job opportunities will arise. Within one year of being in business, we are already ranked the 4th best vodka in the world. As we continue to build notoriety, Driggs and the whole community will benefit economically.

For the reasons stated above and as evident from the permitted and conditional uses in the C-3 zone, the proposed use is in compliance and supports the goals, policies, and objectives of the Comprehensive Plan and should therefore be allowed.

Ashley Koehler

From:

jgrabow@

Sent:

Thursday, September 05, 2013 11:20 AM

To:

pz2driggs@ida.net

Subject:

Public Comment, Grand Teton Vodka

My wife and I are the owners of property adjacent (to the south) of the subject property. We have no objection to the application, and wish the Beckett's continued success with their business.

TETON COUNTY OFFICE



820 Valley Centre Drive Driggs, Idaho 83422 208.354.2220 • fax 354.2224 www.phd7.idaho.gov

Promoting the Health of People & Their Environment

29 August 2013

City of Driggs Attn: Ashley Koehler PO Box 48 Driggs, ID 83422

Re: Grand Teton Vodka, Conditional Use Permit (Your Itr, 22 August 2013)

Dear Ms. Koehler:

Thank you for the opportunity to review and comment on the proposed conditional use permit.

A permit to install a septic system was issued to Grand Teton Vodka on 2 April 2012. The sewage disposal system that was installed is relatively small, designed to support one bathroom with a shower for 3 employees. This system is permitted for the disposal of domestic waste only; the system is not designed to handle operational waste generated as a result of the production of vodka. Any changes to the permitted sewage disposal system, including an increase in flows or changes to the character of the waste, will require prior approval and permitting by Eastern Idaho Public Health District and/or the Idaho Department of Environmental Quality.

Please give me a call if you have any additional questions.

Sincerely,

Michael Dronen, EHS

Eastern Idaho Public Health District

AUG 2 9 2013

City of Driggs PLANNING AND ZONING COMMISSION MEETING

MINUTES

MEETING HELD AT CITY HALL September 11, 2013 6:30pm

MEMBERS PRESENT: Delwyn Jensen (Chair), Rick Baldwin (Vice-Chair), Chris Valiante, Jen Calder, and Lindsey Love

STAFF PRESENT: Ashley Koehler, Planning and Zoning Administrator; Stephen Zollinger, City Attorney

PUBLIC PRESENT: Rene Lusser (Grand Teton Vodka representative) and William Beckett (Grand Teton Vodka, Inc.)

Chairman Delwyn Jensen called the meeting to order at 6:35pm. Review of meeting minutes from July 10, 2013, July 29, 2013, and August 14, 2013 were reviewed.

Commissioner Jen Calder motioned to approve the minutes of 7/10/13, 7/29/13, and 8/14/13. Commissioner Chris Valiante 2nd the motion. Motion passed with all in favor.

1) Public Hearing/Possible Recommendation of a Conditional Use Permit (CUP) for Grand Teton Vodka Micro-Distillery Expansion at 457 Casper Dr. Applicants- Rene Lusser, Linda Beckett and William Beckett

Ashley Koehler read from the Staff Report and described the existing CUP that limits the operation to 5,000sqft. The applicant is requesting approval to increase the square footage of the present building and construct three additional buildings to be used primarily for related storage of supplies and space for aging barrels of whiskey. Koehler explained that the Staff Report outlines the request in accordance with the Comprehensive Plan and the zoning ordinance so that compatibility of this use with surrounding properties can be determined. Discussion on the zoning map and the uses surrounding Grand Teton Vodka.

Koehler referred the Commission to the table in the Staff Report listing the zoning ordinance standards. She identified that the Code does not have a definition of a "micro-distillery", but provided the definition of a "microbrewery" and "bottling/distribution" use that the requested use could be classified as Koehler stated that the P&Z Commission will need to determine a classification for the proposed use.

Koehler summarized goals from the Comprehensive Plan and recommended that the use should not be allowed to serve food or drink to be consumed on site and should limit retails sales so that it avoids retail leakage from downtown.

She explained that comments from the Fire District are preliminary as information about the height of the buildings and exact use are needed in order for the District to determine compliance with the Fire Code. Koehler explained that these comments should be helpful for the applicant to be aware of requirements that they will be subject to at time of building permit. She further added that the Master Site Plan was approved by the Design Review Advisory Committee (DRAC) in 2007, but based on the change in use of the "contractor shops," revisions may need to

be made to the site plan because of parking and garage access. A revised site plan that shows the as-built with the master plan should be submitted by the applicant to go with this CUP.

Design Review is required for all the buildings, but no application or building elevations have been received. Koehler recommended that P&Z request a sketch plan review by DRAC before the CUP goes before the Board of County Commissioners for a final decision. Knowing what the building form will be helps to ensure compatibility of the use with the surrounding properties. Final design review should happen after the CUP is approved so the applicant does not go through the time and expense of preparing final designs until they know the use is approved. The P&Z Commission may recommend additional standards above the base Design Standards as part of the CUP.

Written public comments were read by Koehler from Mr. Grabow and Mr. Raube in support of the applicant's request.

Koehler recommended that the P&Z recommend approval of the CUP with the conditions in the report.

Bill Beckett described his personal background and how he and his wife, Linda, started the business. Beckett described the similarity and differences between microbreweries and distilleries and the process of making each and creating alcohol. He further described the awards that Grand Teton Vodka (GTV) has received. He questioned the need to limit on site sales because a case is sold only occasionally and that mostly tourists and sometimes locals buy the bottles. The price is the same at their facility and the liquor stores because the State sets the price. If P&Z set a limit, then how would it be enforced? No one is going to check to see how much is sold, so that condition is lip service.

Regarding the buildings, he is not anticipating to build anytime soon. He plans to age whiskey so he needs one building approximately 20' in height and 40' x 60' in size. One water connection needed for humidity control. He has no idea of how to come up with a schematic for buildings because they don't know what it looks like or how exactly used. Just need a new building for storage so can use the existing building for all the processing and bottling. He does not want to have another operational building.

Commissioner Delwyn Jensen asked for clarification from Staff if Design Review is for the site or buildings. Koehler responded that she is recommending that the site plan be reviewed by DRAC if different from the Master Site Plan and DRAC review the sketch of the buildings for general height and massing. She questioned how a CUP is approved if we don't know what the buildings will be used for and look like. We should make sure the proposal is mature enough for approval. Beckett stated that he can submit for Design Review, but it would be a guess so it's a waste of time at this point. Commissioner Jensen reiterated that's the dilemma. How do we approve a CUP if we don't know what it's for? Beckett responded that the CUP is for distillation and storage. They will use one building for now. Discussion regarding that after the CUP is issued the applicants would go through the Design Review process. All the zoning maximums and minimums would have to be met for each of the buildings, including height.

Lusser called out that the square footage listed for the buildings in the Staff Report is different than the Master Plan.

Beckett continued his comments. Septic will not be needed because no other bathrooms are needed now, but not sure about the future. He spoke with Bret at the Fire District and said that

the need for a fire hydrant would not be determined until review of the building permit. GTV hosts classes with 10-18 people at \$1000/person. Storm water is already planned and not much is generated. There is plenty of land to handle the storm water. They are receiving more recognition, so hopefully the City will see the benefits of his business as well. Lusser asked that the conditions for Design Review and landscaping be removed since that will all be discussed with DRAC. Parking will also be discussed with DRAC.

Commissioner Jensen opened the public hearing.

No public comments received.

Commissioner Jensen closed the public hearing.

Commissioners discussed the use and how it should be classified. Stephen Zollinger commented that he is not familiar with a definition of a "micro-distillery" and that the City should add it to its Code if there is one. The P&Z should have a limitation on the expansion. If all the buildings on the site are used for processing then that is different than being used for storage. Need to establish why the request constitutes a "micro-distillery" and not a "distillery". Commissioners discussed with Beckett the maximum amount of vodka and whiskey produced. Beckett responded that 30 pallets/month or 1800 cases/month is their maximum and target at this point. There are 12-750mL bottles in a case; 60 cases in a pallet. All production can be in the one building for vodka and whiskey. Discussion on limiting the production to a number of pallets per month and comparison to the craft breweries maximum. Zollinger told the P&Z that they have to tie this proposed use to a listed use in the Code and make a finding of fact. Commissioners and Zollinger discussed the similarities of the micro-distillery to a microbrewery. The impacts are similar because the processing and production is similar, people tour the facility in a similar number, and a limited amount is made and not any more than what would be expected at a microbrewery, which the American Brewers Association has a limit on gallons to be considered a craft/microbrewery. Commissioner Jensen confirmed that he is okay with the findings of their discussion so that the use can be considered a "microbrewery."

Commissioners discussed condition #2 and tracking retail sales. Koehler stated that liquor sales and production is all tracked by the State and can be readily obtained as needed. Commissioners discussed pros and cons of limiting retail sales based on square footage and other promotional items such as GTV t-shirts. Commissioner Valiante and Calder determined 5-10% of maximum production could be sold on site. Commissioners discussed the importance of limiting the retail to only that which is specific to their vodka and whiskey. Amend condition #2 to include product specific promotional materials. Condition #3, 4, and 5 are okay.

Condition #6- Commissioners discussed that the buildings must stay inside the footprints and parking, sidewalks will all stay the same unless the applicant wants to change them, so GTV does not need Design Review for a sketch plan now. The buildings will have to comply with all required standards.

Condition #8- Commissioner Jensen stated the need for a site plan that is accurate. The building footprints should be changed on the Master Site Plan to what GTV wants and is asking for. Koehler described that they have two incorrect site plans. The "Master Site Plan" labeled as "Aspen Lodge Drainage and Grading Plan" is out of date now because is refers to contractor shops and does not show the correct building footprint of the current building and its parking. The "Site Plan" that was also submitted is apparently not scaled correctly so it does not match the size of footprints of the "Master Site Plan." Lusser asked for discussion on the format and

what information should be included. Commissioner Valiante asked for a site plan that shows what is built and that it could be an overlay on the Master Site Plan.

Commissioner Love asked if a maximum square footage should be considered instead of a site plan. Commissioner Valiante and Jensen responded that a site plan is needed and this is what the applicants are proposing. Commissioner Baldwin commented that he wants to provide more latitude so building design is not limited to the exact footprints and said the applicants are limiting themselves. Commissioner Jensen responded that it is the applicants doing. This is how they've planned it and want it. However, the Master Site Plan has changed and needs to be updated.

Condition #7- Commissioner Jensen agreed with the applicant that DRAC can determine adequate landscaping.

Commissioner Valiante made a motion to recommend approval of the CUP. The recommendation is based on finding that whereas GTV produces a product similar in process and size to a microbrewery, the P&Z finds that this be classified as a microbrewery and recommends to the Board of County Commissioners approval with the following conditions:

- 1. The Conditional Use Permit is limited to the operation of a micro-distillery that includes the processing, bottling, storage and distribution, incidental tours, related instructional classes, and incidental sales of promotional items related to the micro-distillery and incidental sales of the liquor that is produced on site when permitted by the State of Idaho.
- 2. Retail sales of promotional items and liquor produced on site may not be the primary use of the micro-distillery and the number of cases sold per year on site should be limited to ten percent (10%) of the total production.
- 3. Sale of food or drink of any kind to be consumed on the premises is not permitted.
- 4. Tours and instructional classes related to the operations may be permitted only as an incidental use to the distilling processing and bottling operation.
- 5. No outdoor storage is permitted.
- 6. Sketch Plan Design Review and Final Design Review must be completed prior to any construction.
- 7. A revised site plan that merges and updates the content of the site plan and master plan should be submitted."

Commissioner Baldwin 2nd the motion. Motion passed unanimously.

Commissioner Valiante made a motion to table the 2nd item on the agenda, Land Use Table Amendments. Commissioner Calder 2nd the motion. Motion passed unanimously.

Commissioner Calder made a motion to adjourn at 8:48pm. Commissioner Love 2^{nd} the motion. The motion passed with all in favor.

Approved by:		
Delwyn Jensen (Chair)	Date	

TETON COUNTY OFFICE



820 Valley Centre Drive Driggs, Idaho 83422 208.354.2220 • fax 354.2224 www.phd7.idaho.gov

Promoting the Health of People & Their Environment

29 August 2013

City of Driggs Attn: Ashley Koehler PO Box 48 Driggs, ID 83422

Re: Grand Teton Vodka, Conditional Use Permit (Your Itr, 22 August 2013)

Dear Ms. Koehler:

Thank you for the opportunity to review and comment on the proposed conditional use permit.

A permit to install a septic system was issued to Grand Teton Vodka on 2 April 2012. The sewage disposal system that was installed is relatively small, designed to support one bathroom with a shower for 3 employees. This system is permitted for the disposal of domestic waste only; the system is not designed to handle operational waste generated as a result of the production of vodka. Any changes to the permitted sewage disposal system, including an increase in flows or changes to the character of the waste, will require prior approval and permitting by Eastern Idaho Public Health District and/or the Idaho Department of Environmental Quality.

Please give me a call if you have any additional questions.

Sincerely,

Michael Dronen, EHS

Eastern Idaho Public Health District

AUG 2 9 2013